**ST.JOSEPH’S UNIVERSITY, BENGALURU -27**

Register Number

**M.Com – III SEMESTER**

**SEMESTER EXAMINATION: OCTOBER 2023**

**(Examination conducted in November/December 2023)**

**MCODEF9320-Security Analysis and Portfolio management**

**(For current batch students only)**

**Time: 2 Hours Max Marks: 50**

**This paper contains \_\_\_\_\_\_\_ printed pages and THREE parts**

**PART-A**

**Answer any two questions 2\*5=10**

1."Rushing into investments is like trying to harvest fruit before it's ripe”-Justify the above.

2.a.From the following information, calculate the Co variance between the securities.

|  |  |  |
| --- | --- | --- |
| **Particulars** | **STOCK A** | **STOCK B** |
| Expected return | 16% | 12% |
| Variance | 225 | 64 |

Coefficient of correlation =0.6

b. Explain diagrammatically the three trend movements suggested by Mr. Charles Dow.

3. The return on risky assets is 12% and on risk free assets is 6%.The risk on risky assets is 4% Calculate:

 a.Return and risk of combined portfolio if w is 70%

b.Return of leveraged portfolio if w is 125%.

**PART-B**

**Answer any two questions 2\*15=30**

4. ‘Efficient market hypothesis leaves little room for consistently beating the market through information-based strategies’.-Explain the above.

5. What is beta of a security? From the following information, calculate the alpha and Beta of the following security.

|  |  |  |
| --- | --- | --- |
| **Time** | **NSE Returns(%)** | **Security Returns** |
| 1 | 24 | 30 |
| 2 | 26 | 45 |
| 3 | -15 | -20 |
| 4 | 12 | 15 |
| 5 | 16 | 20 |
| 6 | 18 | 18 |
| 7 | -4 | 15 |
| 8 | 12 | -5 |
| 9 | 16 | 15 |
| 10 | 20 | 22 |

6. Calculate the portfolio return and risk (std.deviation) of Mr. Akash who had the following securities in his portfolio assuming he invested 30% in security A, 40% in security B and the balance in Security C.

|  |  |  |
| --- | --- | --- |
| **Security A** | **Security B** | **Security C** |
| 10% | 12% | 15% |
| -5% | 16% | 8% |
| 16% | 10% | 10%  |
| 15% | 4% | 11% |

**PART-C**

**Answer the following question 1\*10=10**

7. a. "Like tending to a garden, regular portfolio revision is essential to weed out underperforming assets and nurture the growth of your investment landscape."Explain the above. (5 marks)

b. Diagrammatically represent and briefly explain the Elliot wave theory.(5marks)

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